

Village at Guste Island Estates Open HOA Meeting

Wednesday, February 23, 2022

At 6:30 p.m. at the Pool House on Guste Island Road

ATTENDANCE:

Board Members - Delcina Betts, Ruth Ann D'Arrigo, Martha Daussat, Julie Rosen, Matthew Leverette
Homeowners - 29-unit owners were in attendance and 7 proxies received
Management: Daniel from Magnolia Management Company

A quorum was met with 29 homeowners and seven proxies allowing the meeting to proceed.

Article 4.3 of The Village Governing Documents: "The Board shall cause the budget and the assessments to be levied against each unit for the year to be delivered to each member at least 30 days prior to the due date of any general assessment.

Note: Proposed budgets were emailed to homeowners on Monday, February 21, 2022. The Board was waiting for new insurance quotes to provide accurate numbers for the insurance line item.

President addressed the Homeowners in attendance:

As your Board, we have diligently and expeditiously worked to get this meeting to you...

- Show of hands, how many here want to adhere to the 30-day notice and reschedule this meeting?
- Show of hands, shall we open the meeting and proceed with lowering our dues?

The Majority of the homeowners in attendance unanimously approved to waive the 30-day notice and to proceed with the meeting and budget ratification.

A homeowner did question going forward if the Board will follow the Governing Documents and the President acknowledged that Governing Documents will be adhered to as best as possible.

Call to Order. The President called the meeting to order at 6:38 p.m. and chaired the meeting.

There were two agendas for discussion.

1. To create and vote on a fiscally responsible budget for the year ending 2022.
2. Voting Process and Procedures

FISCAL RESPONSIBILITY: All Homeowners were emailed and accurately proposed budgets that they were welcome to bring to the meeting along with the meeting agenda. Homeowners in attendance at the meeting were offered hard copies in which a working draft copy was accidentally printed out and had some numbers which were not the final numbers; However, we overcame the issue as the major items on the Budget which needed to be discussed were correct and the HOA was able to proceed.

“Article 4.3 of the Village Governing Documents: The Budget and the Assessment shall become effective unless disapproved at a meeting by a majority of the association vote, notwithstanding the foregoing, however, in the event, the membership disapproved the proposed budget, or the Board fails for any reason to determine the budget for any period, then and until such time as a budget shall have been determined, as provided herein, the budget in effect shall continue.”

One goal tonight is to reduce our HOA fees.

- A. Review 2021 Income and Expense Report ending December 31, 2021

Budget Highlights:

Insurance Savings over 94.80% decreasing community insurance premiums by \$85,776.49 and savings in loan costs of \$3,137.41 for a total savings of \$88,913.90

Note: There was some shouting, disagreement, and homeowners felt there was mishandling of Insurance funds due to the previous insurance company filing bankruptcy. The Vice President (VP) stated there was no mishandling of funds. VP discussed in the room with another homeowner whose insurance company went bankrupt, that her choices did not affect her personal Company's Bankruptcy. Another homeowner stepped up on behalf of the Board "Let's start moving forward- times have changed and it is not fair to bash current board members about the old insurance situation."

Reminder to homeowners to submit to Magnolia Property Management a copy of their HO3/HOH Declaration page no later than March 15, 2022.

The HOA Insurance Policy terminates on March 3, 2022, and homeowners should have their HO3/HOH in place to avoid a lapse in insurance.

Property Management (transferring to Magnolia Property Management): Decrease of 45.57% from 2021. Savings of \$9,408.00.

Daniel Camp, from Magnolia Property Management was introduced to the room.

Landscaping: Decrease of 14% from 2021. Savings of \$9,852.94 are expected in 2022.

Note: Homeowners stated issues with the new landscaping company.

- Mulching was thrown against the brick. There should be a 1” space from the home to prevent future termite problems.
- The Landscaping Company threw leaves behind the bushes instead of picking them up.
- Pine Straw was not placed at the trees in the common area by the cul-de-sac on Snowy Egret.
- Pine Straw was placed very sloppily, a lot on sidewalks and not in the garden.

The Board advised homeowners to please email Magnolia Property Management info@magnoliabr.com with any complaints which will then be addressed with the landscaping company.

Termites: Sentricon Bait System was installed which provides a more effective termite control. The initial installation fee was \$16,909.00. Renewal in 2023 will be \$4,900.00. Therefore, there is no comparison between 2021 and 2022.

Note: Homeowners expressed concerns that the baits were placed behind the back fences. Is this correctly placed? The President confirmed the baits were properly placed.

Note: Homeowners in attendance received a hard copy of the proposed budget to review during discussions (However, it did contain some incorrect figures but was utilized to follow along as the President proceeded with the itemized budget proposal.

Collection Review:
Reviewed Assessments
2021 Budget: \$302,400.00
2021 Received: \$317,597.76
Delinquent Assessments
2021 Total: \$4,944.49

One unit in litigation for unpaid assessments exceeding \$8,000.00, excluding attorney fees. A homeowner asked the question; “Are the Attorney fees recoverable?” **“The answer is: Yes.”**

Review of 2 Proposed Operating Budgets:

- President noted which line items were non-negotiable because they are contracted. For example, Property Management, Garbage, Utilities, Landscaping, Termites.
- Garbage: It was brought to homeowners' attention that there is a billing issue with Waste Management. Billing issue: per GNO: Waste Management is charging \$21 per door. However, if you look at the top of the invoice it is listed as a quantity of 66 units (100- 187 White Heron). Of course, we know it's really 112 units.

Note: Homeowners advised the Board to be proactive and reach out to Waste Management and advise of the billing issue and repay for the services not billed in order to prevent future problems for repayment when funds are available.

- Utilities:

Note: Homeowners recommended for the HOA to contact Magnolia Water regarding covers over the water meters missing which is dangerous and snakes crawling into the boxes.

- *The proposed operating budgets were reviewed and discussed* The First budget proposed: Bare Minimum: \$119.00 per month per homeowner. 2022 Yearly budget of \$159,373.51
 - The Second budget proposed: \$158.78 which included reserves for roof maintenance, painting of buildings, fence repairs, and additional maintenance
 - A vote was done by secret ballot using index cards based on the quorum in the room.

Results:

8 homeowners voted for the \$159.00 HOA monthly assessments to save for future expenses.

- \$159.00
 - Covers minimum of:
 - Property Management
 - Accounting Fees & Taxes
 - Utilities & Trash
 - Landscaping
 - Pest Control
 - Insurance
 - Conservative \$ Reserve and Capital
 - Conservative \$ for General Maint.
 - Adds: Reserve for Roof, Painting, Fences & Increase Capital for Maint.

26 homeowners voted for the \$119.00. \$119.00 carried until the Village fiscal year ends.

- \$119.00
 - Bare minimum of:
 - Property Management
 - Accounting Fees & Taxes
 - Utilities & Trash
 - Landscaping
 - Pest Control
 - Insurance
 - Conservative \$ Reserve and Capital
 - Conservative \$ for General Maint.

The budget was ratified for the year 2022 in the amount of \$159,373.51. HOA fees of \$119.00 per month beginning March 1, 2022.

PROPOSED PROJECTS:

- Replace Stop, Street, and Directional signs that are splitting and rotting.
- Development of common areas to avoid ruts
- Do we keep replacing sod or brainstorm for a permanent solution?
- The President opened the floor for Suggestions:
 - ° Adding posts along with the common areas and entrances.

Note: Homeowners unanimously agreed the Board should continue working on quotes and quality of materials within quotes.

COMMUNITY ITEMS NEEDING REPAIR NOT BUDGETED:

French drains on White Heron and Snowy Egret (culverts and ditches).
The Board is working on quotes. Homeowners suggested that the pipes in the culverts may not be properly installed (wrong elevation) or blocked. Culverts may need digging out.

A homeowner volunteered to assist with the culvert and ditch issues. If you are willing to support this committee please reach out Daniel Camp, Magnolia at info@magnoliabr.com

Note: Magnolia Property Management will research if St. Tammany Parish is responsible for this repair or get quotes from vendors.

· "Assessments:

Article 4.3: GENERAL ASSESSMENT: Estimated Costs of operating the Association during the coming year. The budget and assessment is ratified unless rejected at a meeting by at least 50% majority of owners who reject the budget (50% of 112 = 56 votes). In the event that the proper number of homeowners votes to reject the budget, then the Association will continue to operate pursuant to the most recently ratified budget until a new budget is approved by the Executive Board and then ratified by the homeowners. There is no quorum requirement for a budget ratification meeting,

Article 4.4 Special Assessment: The Association may levy a special assessment approved by $\frac{2}{3}$ of the total association (74 votes).

Article 4.5 Specific Assessment: The Board shall have the power to levy special assessments as it shall deem appropriate in its discretion (no homeowner vote needed)."

- **Irrigation System:**

If an Irrigation System is going to be fixed, replaced, or added to any units moving forward it will be done via Article 4.5, Specific Assessment. Volunteers to head a committee that will organize the updating and/or purchasing of irrigation systems for homeowners that want them are welcome to form a committee. Please reach out to the Board if you want to participate in an irrigation project.

Only those interested in having irrigation will pay the assessment.

Irrigation is common property, in short, the HOA has the right to decide the best possible outcome for the entire community. The Board is not obligated to repair the irrigation system because it does not serve all units equally.

Individuals in the room kept bringing up the need to re-vote article 5, the President discussed this with those left in the room and as requested by the community, the President asked for a raise of hands if anyone objected to another vote for Article 5. The people in the room wanted a re-vote; with a modification to remove individual families to care for their driveways. The President promised to speak with the attorney and make this specific change, mark the new ballots in red and black and resubmit the vote in a timely manner.

- Article 5: Maintenance Common Property

- Discuss how Article 5 affects our budget:
- Governing Document amendment in February 2022, the Association is protected from incurring expenses related to Storms because homeowners are now required to maintain an HO3/HOH single-family insurance and must provide a Declaration page to the property management company as verification of insurance.

- Article 5 not ratified keeps the Association responsible for maintenance. Therefore, maintenance line items must continue to be in the yearly budget. Homeowners agreed that Article 5 should be distributed for a revote.

APPROVED

Vice President presented:
**AGENDA #2: TERMS OF OFFICE, OPEN BOARD POSITIONS,
NOMINATIONS, AND VOTING PROCEDURES:**

Article 3.5 of the By-Laws: Three Directors shall be fixed at two years, and successors shall be elected to a term of two years. Two Directors shall be fixed at one year term, and thereafter, directors shall be elected to a term of two years.

Article 3.7 Vacancies: Vacancies of the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors. Each person so selected shall serve the unexpired portion of the term.

· Reviewed timeline indicating the sequence of Board Member turnover from 2019 to the current.

Note: Homeowners agreed with the timeline sequence, therefore, two board positions are open for vote in April 2022.

Call For Candidates:

Discussed what makes a good HOA Board Member

· Nomination Process:

Starts on **February 24, 2022**

Ends on **March 18, 2022, at midnight**

Should include Biography and Candidate Statement and emailed to Magnolia Property Management.

- Who are you?
- Outline your qualifications, experiences or accomplishments that make you the best person for a board position.
- What plans do you have for the Community?
- What are the issues you wish to address?
- Property Management, Leadership, and Finance Departments will conduct a review of the Candidate's qualifications.

· Pre-Ballots will be emailed to homeowners. March **25, 2022**

Will include candidate name, biography and statement

· Voting Method and Election:

On-Line Voting

One vote per unit homeowner

Must be in good standing with the Association

Voting Begins: **April 6, 2022**

Voting Ends: **April 20, 2022, at midnight.** Ballots were received after midnight on April 20, 2022 will be disregarded

Magnolia Property Management will count the votes.

The voting results will be announced at the Annual Meeting (scheduled for April 27, 2022). Afterward, results will be emailed to all homeowners and posted on www.VillageatGusteland.com website.

NOTE: After the person elected to office assumes the position, it is too late to nullify the election. For this reason, if something does not quite add up, a member should question it immediately.

Decorating Committee: Ms. Heather Cieutat requested that individuals reach out to participate in decorating with her, and Julie Rosen.

Meeting Adjourned: 8:30 p.m.

APPROVED